

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

<b>In re:</b>  <b>CORE SCIENTIFIC, INC., et al.,</b>  <b>Debtors<sup>1</sup></b>	§ § § § § § §	<b>Chapter 11</b>  <b>Case No. 22-90341 (CML)</b>  <b>(Jointly Administered)</b>
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**NOTICE OF FILING OF PRESENTATION**

PLEASE TAKE NOTICE that on December 4, 2023, Core Scientific, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), (i) posted a presentation summarizing certain aspects of the Plan<sup>2</sup> and Disclosure Statement<sup>3</sup> on the Company’s website (the “**Presentation**”), (ii) issued a press release announcing the Presentation and an accompanying webcast, which the Debtors also shared on its website, and (iii) filed a Form 8-K with the U.S. Securities and Exchange Commission relating to the Presentation and press release.

PLEASE TAKE FURTHER NOTICE that the Debtors hereby file the Presentation, attached hereto as **Exhibit A**.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (6074); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisitions, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisition I, LLC (9717); and American Property Acquisitions VII, LLC (3198). The Debtors’ corporate headquarters is 210 Barton Springs Road, Suite 300, Austin, Texas 78704. The Debtors’ service address is 2407 S. Congress Ave, Suite E-101, Austin, Texas 78704.

<sup>2</sup> *Third Amended Joint Chapter 11 Plan of Core Scientific, Inc. and Its Affiliated Debtors*, filed on November 16, 2023 (Docket No. 1438) (including any exhibits and schedules thereto and as may be modified, amended, or supplemented, the “**Plan**”).

<sup>3</sup> *Disclosure Statement for Third Amended Joint Chapter 11 Plan of Core Scientific, Inc. and Its Affiliated Debtors*, filed on November 16, 2023 (Docket No. 1439) (including any exhibits and schedules thereto and as may be modified, amended, or supplemented, the “**Disclosure Statement**”).

**PLEASE TAKE FURTHER NOTICE** that the Presentation is a summary of certain aspects of the Plan and Disclosure Statement and is for informational purposes only. All parties should carefully review the Plan and Disclosure Statement. Copies of the Plan and Disclosure Statement are available by visiting the website maintained by the Debtors' claims and noticing agent, Stretto, Inc. at <https://cases.stretto.com/corescientific>.

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Dated: December 4, 2023  
Houston, Texas

Respectfully submitted,

/s/ Alfredo R. Pérez

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*Attorneys for Debtors*

*and Debtors in Possession*

**Certificate of Service**

I hereby certify that, on December 4, 2023, a true and correct copy of the foregoing document was served as provided by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Alfredo R. Pérez

Alfredo R. Pérez

**Exhibit A**

**Presentation**



# Core Scientific, Inc. Emergence Overview\*

December 4, 2023

\* This is only a summary. All shareholders and creditors should read the Plan and Disclosure Statement for details.



# Legal Disclaimer

This document is solely for informational purposes. You should not rely upon it or use it to form the definitive basis for any decision or action whatsoever, with respect to any proposed transaction or otherwise. This document is "as is" and neither Core Scientific, Inc. (the "Company") nor any affiliates or agents of the Company, make any representation or warranty, express or implied, in relation to the accuracy or completeness of the information contained in this document or any oral information provided in connection herewith, or any data it generates and expressly disclaim any and all liability (whether direct or indirect, in contract, tort or otherwise) in relation to any of such information or any errors or omissions therein.

All share and warrant numbers in this document are rounded down to the nearest whole share or warrant, as applicable, which reflects that no fractional shares or warrants will be issued in connection with the Company's Chapter 11 Plan.

**You are encouraged to read the Company's Chapter 11 Plan and the related Disclosure Statement, each as amended or supplemented, which are available (i) on the website of Stretto, the Company's voting and solicitation agent, at <https://cases.stretto.com/corescientific/>, (ii) by calling Stretto at (949) 404-4152 (in the U.S. and Canada; toll-free) or +1 (888) 765-7875 (outside of the U.S. and Canada), or (iii) by sending an electronic mail message to [CoreScientificInquiries@stretto.com](mailto:CoreScientificInquiries@stretto.com).**

This document does not constitute an offer to sell or the solicitation of an offer to buy any security, nor does it constitute an offer or commitment to lend, syndicate or arrange a financing, underwrite or purchase or act as an agent or advisor or in any other capacity with respect to any transaction, or commit capital, or to participate in any trading strategies, and does not constitute legal, regulatory, accounting or tax advice to the recipient. This document does not constitute and should not be considered as any form of legal or financial opinion or recommendation by the Company or any of its affiliates. This document is not a research report nor should it be construed as such.

The document, including any projections and forecasts, was not prepared with a view toward public disclosure or compliance with the published guidelines of the Securities and Exchange Commission or the guidelines established by the Public Company Accounting Oversight Board and should not be relied upon to make an investment decision with respect to the Company. This document does not purport to present the Company's financial condition in accordance with GAAP. The Company's independent registered public accounting firm has not examined, compiled or otherwise applied procedures to this document and, accordingly, does not express an opinion or any other form of assurance with respect to this document. Any projections or forecasts were prepared for internal use, capital budgeting and other management decisions and are subjective in many respects. Any such projections or forecasts reflect numerous assumptions made by management of the Company with respect to financial condition, business and industry performance, general economic, market and financial conditions, and other matters, all of which are difficult to predict, and many of which are beyond the Company's control. The disclosure of this document should not be regarded as an indication that the Company or its affiliates or representatives consider this document to be a reliable prediction of future events, and this document should not be relied upon as such. The statements in this document speak only as of the date such statements were made, or any earlier date indicated therein. Neither the Company nor any of its affiliates or representatives has made or makes any representation to any person regarding the ultimate outcome of the foregoing, and none of them undertakes any obligation to publicly update this document to reflect circumstances existing after the date when this document was made available to stakeholders or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying this document are shown to be in error. The statements provided in this document are subject to all of the cautionary statements and limitations described herein, therein and under the caption "Forward-Looking Statements."

## Forward-Looking Statements

This document contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about plans, expectations and intentions with respect to the future and other statements identified by words such as "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "believe," "intend," "plan," "projection," "forecast," "outlook" or words of similar meaning. Such forward-looking statements are based upon the current beliefs and expectations of the management of the Company and are inherently subject to significant contingencies, many of which are difficult to predict and generally beyond the control of the parties.

Actual performance or achievements may differ materially, and potentially adversely, from any forward-looking statements and the assumptions on which those forward-looking statements are based. There can be no assurance that the data contained herein is reflective of future performance to any degree. You are cautioned not to place undue reliance on forward-looking statements as a predictor of future performance as such information is based on estimates and assumptions. The forward-looking statements are subject to various risks, uncertainties and other factors, many of which are beyond the Company's control.

# Agenda

- I. Business Overview
- II. Post-Emergence Capital Structure
- III. Stakeholder Recoveries
- IV. Emergence Timeline
- V. Additional Information



# Executive Summary

## Plan Highlights: Maximizing Value for All Stakeholders

**Common Shareholders as of the Plan Effective Date (expected to be January 5, 2024) are expected to receive \$1.08 per share of pre-exchange value based on current assumptions (see page 17 for assumptions)**

- Includes non-contingent recovery of ~\$0.85 per share and expected additional distributions of ~\$0.23 per share
- Existing equity to receive new common shares and two tranches of warrants
- If the Tranche 1 and 2 Warrants are exercised, existing shareholders may own as much as ~65% of equity in the Reorganized Company (including on account of equity rights offering / backstop)

**The Convertible Notes are receiving original par plus accrued interest and accretion in the form of New Secured Notes, New Secured Convertible Notes, and New Common Shares**

- The April Convertible Noteholders are expected to receive \$1.628 of value for every \$1 original par face amount
- The August Convertible Noteholders are expected to receive \$1.201 of value for every \$1 original par face amount

**Recapitalized projected Core balance sheet reflects agreements with majority of key stakeholders**

- \$55 million equity rights offering and \$80 million exit facility (of which \$40 million is new money) provide liquidity upon emergence
- Plan results in deleveraging via equitization of claims
- New debt schedule reflects less than \$50 million of required paydown through year-end 2025

**The \$55 million Equity Rights Offering ("ERO") is currently anticipated to occur at \$0.34 per share**

- Common shareholders as of November 16, 2023 have a right to participate in the ERO
- ERO shares will not be diluted by expected equity distributions on account of disputed claims and unvested RSUs / unvested RSAs / stock options<sup>(1)</sup>

1) ERO shares are calculated as if such equity distributions are already made.

# Page References

**Disclosure Statement:**

<https://cases.stretto.com/public/X217/12024/PLEADINGS/1202411172380000000029.pdf>

Current Holders	Details
Common Shareholders	Pages 13-18, 30-35 (Disclosure Statement pg.19-21)
April Convert Holders	Pages 13-14, 19, 38-40 (Disclosure Statement pg. 6-14)
August Convert Holders	Pages 13-14, 20, 41-43 (Disclosure Statement pg. 7-14)



# I. Business Overview



# Core Scientific OTC: CORZQ

Transforming Energy into High-Value Compute with Superior Efficiency at Scale

**~145,000**

Company-Owned  
Bitcoin Miners<sup>(1)</sup>

**\$360.5M**

2023 Revenue  
through Sept 30 (Unaudited)

**5 U.S. States**

Data Center Locations

**724MW**

Current Operational  
Capacity<sup>(1)</sup>

**15.1 EH/s**

Self-Mining  
Energized Hashrate<sup>(1)</sup>

**~6.6 EH/s**

New Hashrate  
Inbound<sup>(2)</sup>

**~32 BTC/Day**

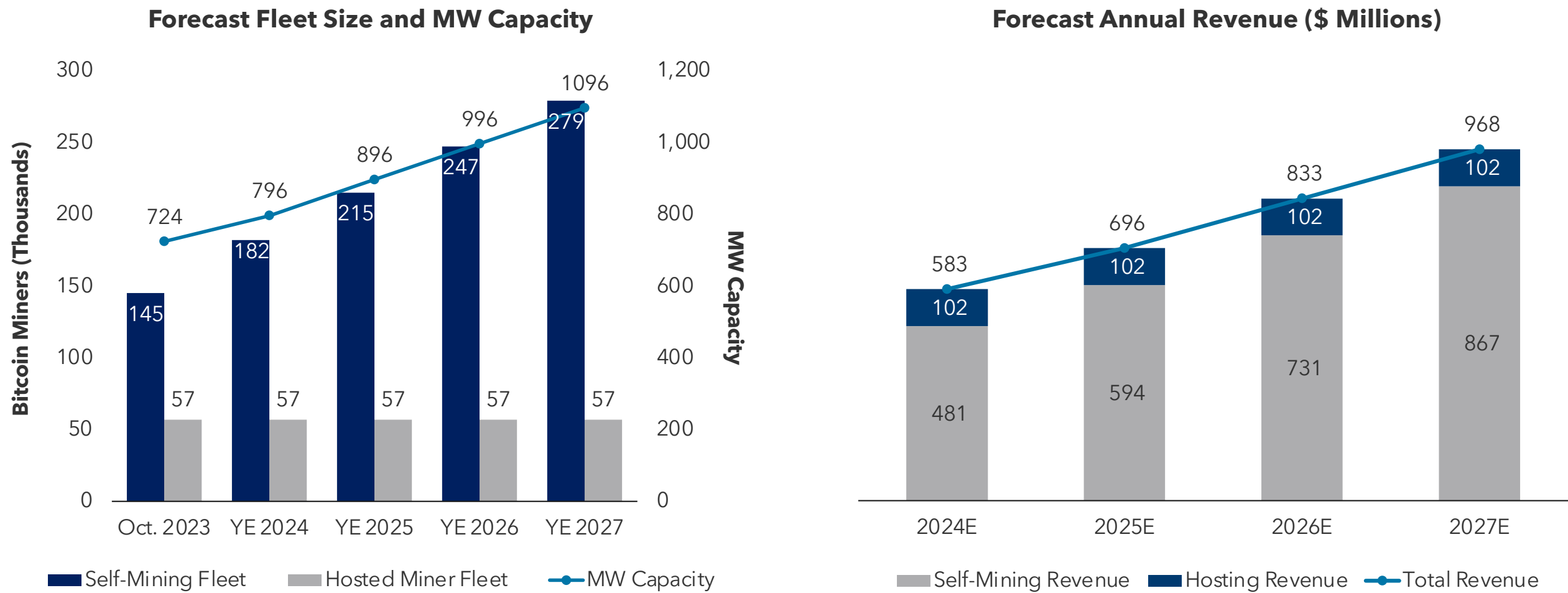
Avg. Self-Mined  
in November 2023

**+16,000 BTC**

Self- and Customer-Mined  
YTD in our Data Centers<sup>(1)</sup>

1) As of 10/31/23.  
2) Contracted units expected to arrive during 1H 2024.

# We Forecast Consistent Growth in Capacity and Revenue



Note: Forecasts from [Business Plan](#).



## **II. Post-Emergence Capital Structure**



# Post-Emergence Capital Structure

Reflects agreements reached with majority of key stakeholders through bankruptcy process

The below chart is illustrative, subject to change, and based on certain assumptions. It does not reflect the impact of the conversion of the New Secured Convertible Notes, the exercise of the Tranche 1 or Tranche 2 Warrants, or the issuance of shares to management under the Management Incentive Plan.

(\$ in millions, unless otherwise specified)

PF Capital Structure	Amount
New Delayed Draw Term Loan	\$61
New Secured Notes	150
Miner Equipment Loans	177
Other Secured Debt	76
Total Non-Convertible Debt	\$464
New Secured Convertible Notes	260
Total Debt	\$724
(-) Excess Cash <sup>1</sup>	(15)
Net Debt	\$709
Memo: Cash on Balance Sheet at Emergence	\$56
Plan TEV	\$1,500
(-) Net Debt	(709)
Plan Equity Value	\$791

Equity Ownership	%
Existing Shareholders	
Shares Distributed at Emergence	23%
Shares Expected to Be Distributed Post-Emergence (e.g., Disputed Claims) <sup>2</sup>	15%
Equity Rights Offering (Subscription, Backstop Shares, and Backstop Fee)	11%
Convertible Noteholders	33%
Other Creditors	11%
Bitmain	7%
Total	100%

If the Tranche 1 and Tranche 2 Warrants are exercised, existing shareholders may own up to ~65% of equity in the Reorganized Company.<sup>(3)</sup>

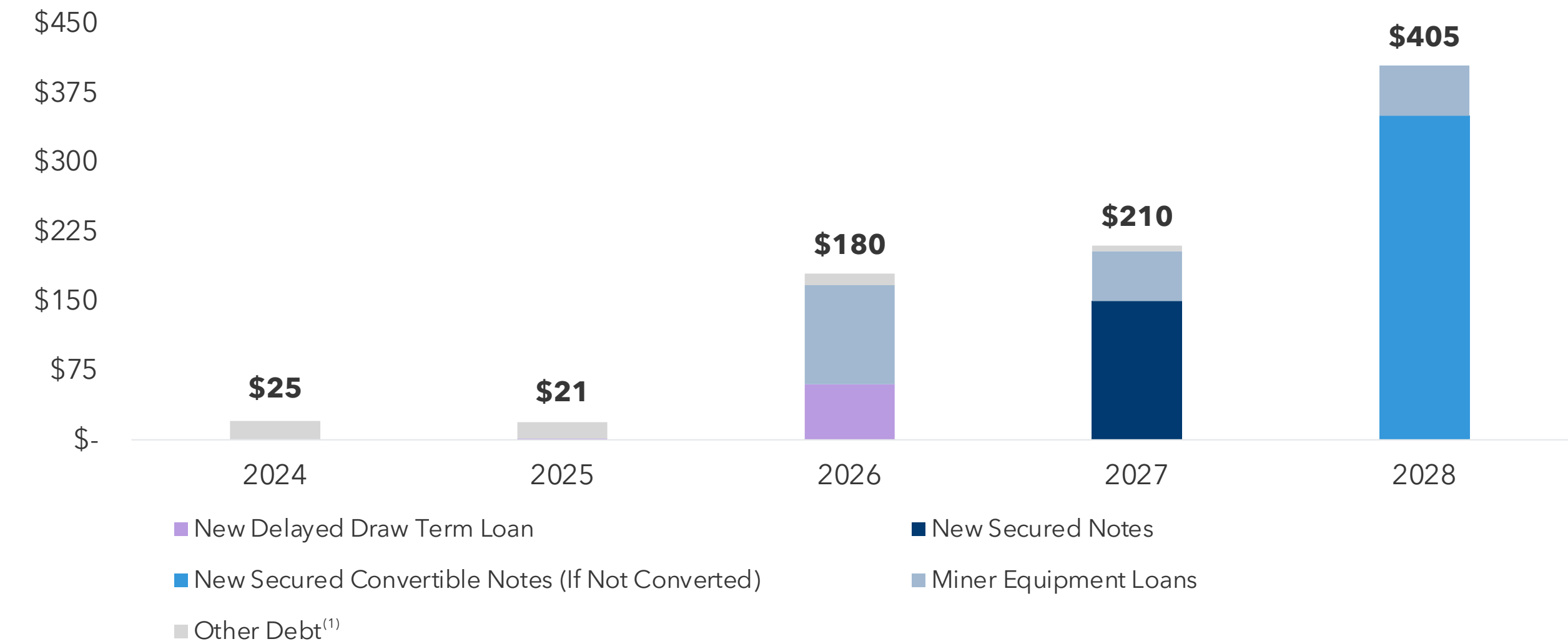
Note: Does not reflect cash on account of exercise of Tranche 1 Warrants, which, if exercised in full, would generate ~\$600 million of cash, deleveraging the balance sheet.

- 1) Excess Cash reflects cash balance (at Company's forecasted cash trough) less \$20 million anticipated minimum cash level based on Company's business plan and post-emergence debt service, illustratively assuming a 12/31/23 Effective Date. Reflects \$55 million of ERO proceeds.
- 2) The Company's books and records reflect that certain disputed claims should be disallowed in the future, in which case the equity value (and warrants) will be distributed to existing equity; however, the outcome of any litigation is uncertain. Includes 510(b) claims.
- 3) Assumes the New Secured Convertible Notes are converted in full.

# Five-Year Debt Maturity Schedule

## 2024-2028

(\$ in millions)



Note: Based on expected debt at an illustrative emergence date of 12/31/23. Maturity schedule reflects mandatory amortization and payments due upon maturity, which may include PIK interest, if applicable. Does not include up to \$130 million of potential Contingent Payment Obligations to the convertible noteholders (up to ~\$43 million per year for 3 years).

1) Includes non-miner equipment financing, mechanic's liens takeback debt, and mechanic's liens settlement debt.



# 25:1 Share Exchange

**For Every Twenty-Five Shares You Own as of the Effective Date / Record Date (Expected to Be January 5, 2024), You Will Receive At Least One Share of New Common Stock (And New Warrants)**

The Company is contemplating a 25:1 exchange of current Core Scientific shares for initial post-emergence shares.<sup>(1)</sup> This exchange and the ratio **do not** impact the aggregate value of Core Scientific’s shares

The table below reflects an estimate of the likely initial share distribution based on current assumptions

Core Scientific Post-Emergence Shares for Current Shareholders		
	Total Share Count	Illustrative Owner of 1 Million Shares
Current Shares	386 million	1 million
Divided by:	25	25
New Core Scientific Shares for Current Shareholders	15 million	40K

1) Ratio is subject to change.



## III. Stakeholder Recoveries



# What Actions Do Current Shareholders and Noteholders Need to Take?

## Action Required

### Common Shareholders

- **Plan Voting:** Submit a ballot to vote on whether to accept the Plan no later than **December 13, 2023** (see page 27 for instructions on how to vote).
- **Plan Distributions:** Common shareholders as of the Effective Date (expected to be January 5, 2024) do **not** need to take any actions to receive the New Common Stock and Warrants provided to shareholders under the Plan.
  - For Existing Shareholders that hold Existing Common Shares with a broker / bank, their New Common Shares and Warrants will be issued through DTC directly to the brokerage account via the applicable broker / bank.
  - For Existing Shareholders that hold Existing Common Shares on the books and records of the Company's Transfer Agent, Computershare, their New Common Shares and Warrants will be issued on the books and records of Computershare. These Existing Common Shareholders are advised to contact their broker / bank if they want their securities transferred from Computershare to DTC.
- **ERO:** If you wish to participate in the ERO, please follow the instructions set forth on page 37.

### Convertible Noteholders

- **Plan Voting:** Submit a ballot to vote on whether to accept the Plan no later than **December 13, 2023** (see page 27 for instructions on how to vote).
- **Distributions:** Noteholders do **not** need to take any actions to receive their recovery under the Plan. The holder details provided by the respective notes agent for the April Convertible Notes and August Convertible Notes will serve as the basis for the recording of new securities unless alternative instructions are provided.
  - New Common Shares will be issued to Noteholders on the books and records of Computershare.
  - New Secured Notes and New Convertible Notes will be issued on the books and records of the applicable Notes Trustee.
  - Contingent Value Obligations will be issued on the books and records of the applicable Contingent Value Obligations Agent.
  - The New Common Shares, New Secured Notes, New Convertible Notes and Contingent Value Obligations are expected to be eligible to be deposited through the Depository Trust Company ("DTC"). Noteholders are advised to contact their broker / bank if they want their securities transferred from the respective agent or trustee to DTC.

# Common Shareholder Recovery and Rights Offering Overview

## Common Shareholders as of the Effective Date / Record Date (Expected to Be January 5, 2024) Receive, for Every 25 Shares Owned

### Initial Distribution at Emergence

- 1) 1 share of New Common Stock
- 2) 2.4 Tranche 1 Warrants
- 3) 2.0 Tranche 2 Warrants

### Expected Possible Additional Post-Emergence Distributions<sup>(1)</sup>

- 4) 0.5 shares of New Common Stock
- 5) 0.05 Tranche 1 Warrants
- 6) 0.04 Tranche 2 Warrants

## New Common Stock and Warrants will be issued to Shareholders of Record as of the Plan Effective Date (expected to be January 5, 2024).

### Rights Offering

- Shareholders also have the opportunity to purchase up to \$55 million of shares at a discount in the Equity Rights Offering
- The right to purchase shares is issued to Shareholders of Record as of November 16, 2023
- Shares purchased in the Equity Rights Offering will **not** receive warrants and are not eligible to receive the possible additional New Common Stock (referenced above)
- Shares acquired in the Equity Rights Offering will be issued at emergence as New Common Stock

Note: Figures reflect current assumptions. Actual amounts could vary.

- 1) The Company's books and records reflect that certain disputed claims should be disallowed in the future, in which case the equity value (and warrants) will be distributed to existing equity; however, the outcome of any litigation is uncertain. Includes 510(b) claims. Warrants only reserved on account of 510(b) claims.

What Will  
Current  
Shareholders  
Receive?

# Each Common Shareholder Holding Shares at the Plan Effective Date (Expected to Be January 5, 2024) Will Receive New Common Stock and Two Tranches of Warrants

What Will  
Current  
Shareholders  
Receive?

TODAY'S HOLDINGS	<div>Example</div> <div>For Every 25 Shares of Pre-Emergence Common Stock You Own, You Will Receive:</div>	
YOU RECEIVE	INITIAL DISTRIBUTION	EXPECTED ADDITIONAL DISTRIBUTION <sup>(1)</sup>
	1 Share of New Common Stock	0.5 Shares of New Common Stock
	2.4 Tranche 1 Warrants	.05 Tranche 1 Warrants
	2.0 Tranche 2 Warrants	.04 Tranche 2 Warrants

Note: Figures reflect current assumptions. Actual amounts could vary.

1) The Company's books and records reflect that certain disputed claims should be disallowed in the future, in which case the equity value (and warrants) will be distributed to existing equity; however, the outcome of any litigation is uncertain. Includes 510(b) claims. Warrants only reserved on account of 510(b) claims.



# Each Common Shareholder Holding Shares at the Plan Effective Date (Expected to Be January 5, 2024) Will Receive New Common Stock and Two Tranches of Warrants

What Will  
Current  
Shareholders  
Receive?

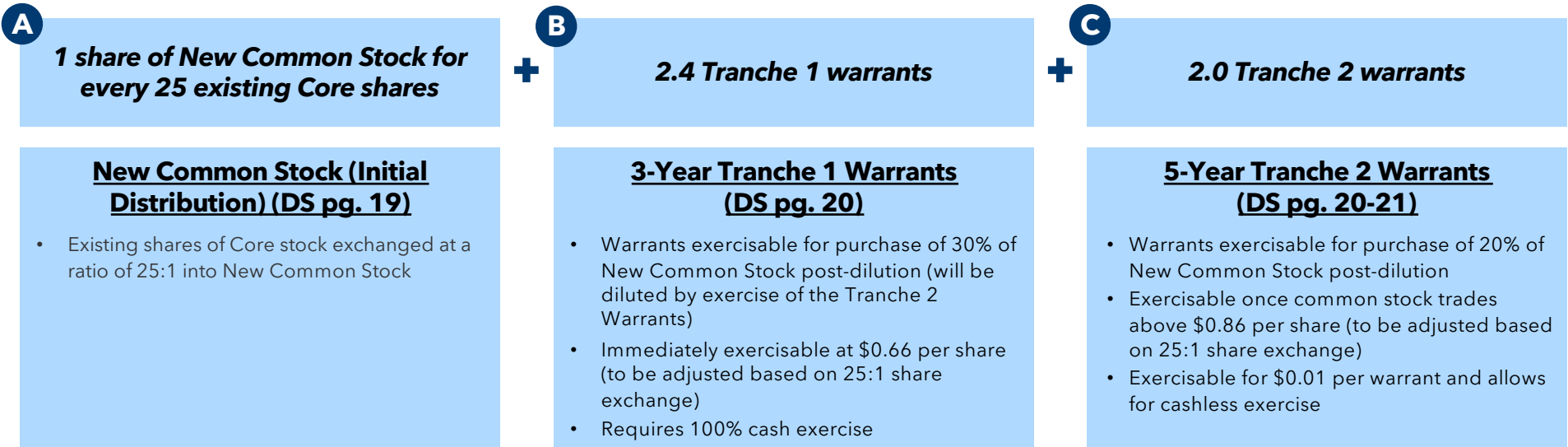


Table below estimates likely distribution based on current assumptions, including expected additional contingent recoveries

	Existing Equity Total Recovery <sup>1</sup>	Pre-Exchange Value per Share	Illustrative 1mm Shares Owned <sup>2</sup>
<b>A</b> New Common Stock (Initial Distribution) <sup>3</sup>	\$179,094,000	\$0.46	\$464,000
<b>B</b> Tranche 1 Warrants	85,114,000	0.22	220,000
<b>C</b> Tranche 2 Warrants	65,228,000	0.17	169,000
<b>Total Non-Contingent Class Recovery</b>	<b>\$329,437,000</b>	<b>\$0.85</b>	<b>\$853,000</b>
Expected Additional Distribution (Common Stock)	\$83,586,000	\$0.22	\$217,000
Expected Additional Distribution (Warrants)	2,896,000	0.01	8,000
<b>Total Expected Value to Existing Equity</b>	<b>\$415,919,000</b>	<b>\$1.08</b>	<b>\$1,077,000</b>

Note: Figures rounded to nearest \$1,000.

- 1) Key assumptions driving recovery to existing equity include miner equipment lender elections, disputed claims estimate, post-petition interest rate, ERO size, and amount of allowed OEC fees above the fee cap.
- 2) Assumes ~386 million shares outstanding pre-exchange, including vested RSUs.
- 3) Equity value is based on an agreed upon \$1.5 billion Total Enterprise Value and anticipated post-emergence capital structure. New Common Stock (Initial Distribution) reflects estimated Incremental Equity Distribution of \$4.75 million.
- 4) Illustrative, based on Black Scholes analysis less reserved amount for 510(b) claims.
- 5) The Company's books and records reflect that certain disputed claims should be disallowed in the future, in which case the equity value (and warrants) will be distributed to existing equity; however, the outcome of any litigation is uncertain. Includes 510(b) claims. Warrants only reserved on account of 510(b) claims.

# Shareholders as of November 16, 2023 Have Right to Buy New Shares in the Reorganized Company via ERO

## How Does the Equity Rights Offering (ERO) Work?

- 1) Each shareholder (as of the ERO record date of November 16, 2023) can purchase new shares equivalent to 0.42 shares in the existing Company
- 2) ERO purchase price equivalent to \$0.34 per share - a 30% discount to the value per share before the share exchange
- 3) Shares purchased through the ERO will not be entitled to receive the warrants referenced on page 17
- 4) These materials reflect a 25:1 exchange ratio<sup>(1)</sup>
  - Any change to the exchange ratio would not affect the total value nor the total investment amount as part of the ERO

Table below shows illustrative ERO shares per existing common share and purchase price per share

	Total Equity Rights Offering		Illustrative 1mm Shares Owned	
	Pre-Share Exchange (Existing Company)	Post-Share Exchange (Reorganized Company)	Pre-Share Exchange (Existing Company)	Post-Share Exchange (Reorganized Company)
Pre-Share Exchange Shares Owned	386,022,000		1,000,000	
(x) ERO Subscription Rights Factor	0.42	0.02	0.42	0.02
<b>ERO Shares Purchased</b>	<b>163,501,000</b>	<b>6,540,000</b>	<b>424,000</b>	<b>17,000</b>
(x) Purchase Price per Share	\$0.34	8.41	0.34	8.41
<b>Total Cost of Shares Purchased</b>	<b>\$55,000,000</b>	<b>\$55,000,000</b>	<b>\$142,000 <sup>2</sup></b>	<b>\$142,000 <sup>2</sup></b>

Note: Figures rounded to nearest \$1,000.

- 1) Post-Share Exchange numbers and prices are based on a 25:1 share exchange. The share exchange ratio remains subject to change.
- 2) While the number of ERO Shares you purchase may increase depending on (i) treatment elections by Core Scientific's miner equipment lenders ("Equipment Lender Elections") and (ii) the extent to which the estimated maximum amount of disputed claims become allowed in Class 8 (General Unsecured Claims) and Class 11 (Section 510 Clams) on or before emergence, the total dollar investment amount will not change. The Company's assumptions regarding Equipment Lender Elections and the Company's estimated maximum amount of disputed claims are subject to change.

# Each April Noteholder Will Receive Notes and Stock Equal to ~\$1.628 of Value for Every \$1 Par Face Amount of April Notes

What Recoveries Will April Convertible Notes Holders Receive?

The table below reflects distribution of non-contingent recoveries:

	April Notes Class Total	Illustrative \$1mm April Noteholder <sup>1</sup>
<b><u>Claim Amount</u></b>		
Original Par	\$215,000,000	\$1,000,000
Interest and Accretion <sup>2</sup>	135,000,000	628,000
<b>Claim as of Effective Date <sup>3</sup></b>	<b>\$350,000,000</b>	<b>\$1,628,000</b>
<b><u>Recovery &amp; Securities to be Received</u></b>		
New Secured Notes	\$150,000,000	\$698,000
New Secured Convertible Notes	92,857,000	432,000
New Common Stock	107,143,000	498,000
<b>Total Non-Contingent Recovery</b>	<b>\$350,000,000</b>	<b>\$1,628,000</b>

Note: Figures rounded to nearest \$1,000.

- 1) Original par.
- 2) Includes capitalized PIK interest, accrued and unpaid interest, and accreted "2x" amount.
- 3) Claim is increased to the extent of any ERO Shortfall Equity Distribution or Incremental Equity Distribution (as described below).
- 4) In the event that the Company's New Common Interests trade below the Plan Equity Value, Convertible Noteholders are eligible for up to a total of \$130 million in cash or stock over a 3-year period on account of their New Common Interests distributed pursuant to the Convertible Noteholders Equity Distribution.
- 5) Equity value (and associated equity ownership percentage) is based on an agreed upon \$1,500,000,000 Total Enterprise Value. Certain Convertible Noteholders have agreed to provide new capital in the form of an Exit Facility and, as such, will exchange an aggregate of \$40,000,000 of New Common Interests for additional commitments under the Exit Facility. The analysis herein assumes that the Illustrative Convertible Noteholder is not an Exit Facility Lender.
- 6) Does not include additional recovery on account of contingent equity distributions including ERO Shortfall Equity Distribution and Incremental Equity Distribution (DS pg. 6-7).



# Each August Noteholder Will Receive Notes and Stock Equal to ~\$1.201 of Value for Every \$1 Par Face Amount of August Notes

The table below reflects distribution of non-contingent recoveries:

	August Notes Class Total	Illustrative \$1mm August Noteholder <sup>1</sup>
<b><u>Claim Amount</u></b>		
Original Par	\$299,823,000	\$1,000,000
Interest and Accretion <sup>2</sup>	60,177,000	201,000
<b>Claim as of Effective Date <sup>3</sup></b>	<b>\$360,000,000</b>	<b>\$1,201,000</b>
<b><u>Recovery &amp; Securities to be Received</u></b>		
New Secured Convertible Notes	167,143,000	558,000
New Common Stock	192,857,000	643,000
<b>Total Non-Contingent Recovery</b>	<b>\$360,000,000</b>	<b>\$1,201,000</b>

Note: Figures rounded to nearest \$1,000.

- 1) Original par.
- 2) Includes capitalized PIK interest and accrued and unpaid interest.
- 3) Claim is increased to the extent of any ERO Shortfall Equity Distribution or Incremental Equity Distribution (as described below).
- 4) In the event that the Company's New Common Interests trade below the Plan Equity Value, Convertible Noteholders are eligible for up to a total of \$130 million in cash or stock over a 3-year period on account of their New Common Interests distributed pursuant to the Convertible Noteholders Equity Distribution.
- 5) Equity value (and associated equity ownership percentage) is based on an agreed upon \$1,500,000,000 Total Enterprise Value. Certain Convertible Noteholders have agreed to provide new capital in the form of an Exit Facility and, as such, will exchange an aggregate of \$40,000,000 of New Common Interests for additional commitments under the Exit Facility. The analysis herein assumes that the Illustrative Convertible Noteholder is not an Exit Facility Lender.
- 6) Does not include additional recovery on account of contingent equity distributions including ERO Shortfall Equity Distribution and Incremental Equity Distribution (DS pg. 7-8).

What Recoveries Will August Convertible Notes Receive?



## IV. Emergence Timeline



# Plan and ERO Timeline

Event	Description	Illustrative Date <sup>(1)</sup> / Timing
Equity Rights Offering Record Date	Only holders of Core common stock as of this date may participate in the Equity Rights Offering	November 16, 2023
End of Rights Offering Subscription Period / Deadline for Funding Rights Offering Subscription Amounts	Deadline to submit Rights Offering Subscription Forms and pay aggregate subscription amounts for Rights Offering Shares	December 11, 2023
Voting Deadline	Deadline to vote to accept or reject the Plan	December 13, 2023
Confirmation Hearing	Hearing at which the Bankruptcy Court approves or rejects the Plan	December 22, 2023
Plan Distribution Record Date for Existing Convertible Notes	Only holders of Existing Convertible Notes as of this date will receive distributions under the Plan	January 3, 2024 <sup>(2)</sup>
Anticipated Plan Effective Date Plan Distribution Record Date for Existing Common Shares	Date on which the Plan becomes effective and Core emerges from bankruptcy Only holders of Core common stock as of this date will receive distributions of new common stock and warrants under the Plan	January 5, 2024
Nasdaq Listing	New common stock listed on the Nasdaq as CORZ <sup>(3)</sup>	Expected At or Shortly After Emergence

1) The timeline in this slide is illustrative and assumes a consensual Plan. Actual dates will depend on the Court’s calendar and discretion, the status of negotiations with stakeholders, and stakeholder views on appropriate deadlines.

2) 2 business days before Anticipated Plan Effective Date.

3) The Company has reserved the CORZ ticker.



# Q&A







# Thank You.



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# V. Additional Information





# A. Plan Voting FAQs



# Plan Voting (Existing Common Shareholders)

## ***What am I being asked to vote on and what do I need to do to vote?***

- You are being asked to vote on two matters: 1) whether to vote to accept the Plan, to reject the Plan, or to abstain and 2) whether to “opt out” of the release provisions contained in section 10.6(b) of the Plan.
- You make your decision on whether to vote to accept the Plan in Item 2 of the Ballot and whether to “opt out” in Item 3 of the Ballot (your broker’s forms may list these differently).

## ***Does the Company recommend that I vote to accept the Plan?***

- Yes. The special committee of independent directors of Core’s Board has unanimously approved the Plan. The Company believes the Plan is in the best interests of all stakeholders and recommends that all creditors and equity holders vote to accept the Plan.

## ***Does the Equity Committee recommend that I vote to accept the Plan?***

- Yes. The Equity Committee supports the Plan and recommends that equity holders vote to accept the Plan.

## ***What are they asking me regarding whether I should “opt out” of the release provisions?***

- For Item 3, only check the “OPT OUT” box if you elect **not** to grant the release of claims and causes of actions contained in section 10.6(b) of the Plan. Election to withhold consent is at your option. If you vote to accept the Plan, you may not check the “opt out” box.





## B. Other FAQs



# Supporting FAQs

- **What is the purpose of these FAQ?**
  - On Nov. 17, 2023, the Bankruptcy Court authorized Core Scientific, Inc. and affiliated debtors (collectively, the “Debtors”) to solicit votes on the Chapter 11 Plan of Reorganization.
  - The Debtors prepared these FAQ to provide responses to questions from (i) Holders of Convertible Notes and (ii) Holders of Existing Common Stock.
  - You should have received copies of the Plan and related Disclosure Statement from our solicitation and voting agent Stretto, Inc.
    - The documents are also available (i) on Stretto’s website <https://cases.stretto.com/CoreScientific/court-docket/court-docket-category/1367-plan-solicitation/>, (ii) by calling Stretto at (949) 404-4152 (in the U.S. and Canada; toll-free) or +1 (888) 765-7875 (outside of the U.S. and Canada), or (iii) by sending an electronic mail message to: [CoreScientificInquiries@stretto.com](mailto:CoreScientificInquiries@stretto.com).
- **Is the information in these FAQ comprehensive?**
  - No. The information in these FAQ is intended to provide a *simplified* explanation of certain aspects of a complex chapter 11 plan. These slides only discuss treatment and recoveries for convertible noteholders and existing shareholders, as well as voting and the Equity Rights Offering (“ERO”).
    - There are nuances, exceptions, and other significant aspects of the Plan that are not discussed in these FAQ slides.
    - Also, the estimates in these slides are subject to change.
  - **It is important that creditors and shareholders review the Plan and Disclosure Statement before voting on the Plan or participating in the ERO.**
  - **These FAQs include references to the Disclosure Statement as DS-#, which corresponds with the relevant page number.**
  - **Please consult the Plan and Disclosure Statement for the definitions of any capitalized terms.**
- **What will happen to existing common stock under the Plan?**
  - Holders of existing common stock in Core Scientific as of the Effective Date will be issued new stock in exchange for their current holdings at a 25:1 ratio as described on page 12.
    - Once new common stock is issued, all existing stock will be cancelled.
- **What will happen to existing debt under the plan?**
  - Most existing debt of Core Scientific will be cancelled under the Plan.
    - Holders will be issued new debt in exchange for current holdings.
  - Reorganized Core Scientific, Inc. will have a completely new capital structure after emergence from chapter 11.
- **When will the common stock exchange occur?**
  - The exchange will happen on the “Effective Date” – after the Bankruptcy Court approves the Plan and other conditions are satisfied, expected to be Jan. 2024 (may be delayed).
- **What is the assumed value under the Plan?**
  - Reorganized Core Scientific is deemed to have a Total Enterprise Value of \$1.5 billion for purposes of valuing recoveries under the Plan.
  - The Plan Equity Value (value of new common stock) will be equal to Total Enterprise Value minus total expected debt (plus excess cash).
    - Core Scientific estimates the Plan Equity Value will be approximately \$750-\$800 million, subject to change based on the final total debt.
- **Will the new common stock trade on Nasdaq?**
  - Core Scientific expects its new stock to trade on the Nasdaq on or shortly after the Effective Date under the symbol CORZ.



# **C. Current Common Shareholders Additional Information**



# Current Common Shareholders

## ***What is the total value of current common shareholders' recovery under the Plan?***

- The precise value current common shareholders will receive under the Plan is unknown at this time. It will depend on certain contingencies that may occur before or after the Effective Date.
- The table on page 17 demonstrates the recoveries and expected value to existing shareholders, including the recovery per million shares, based on current assumptions.
- These recoveries are divided into:
  - i. Stock and Warrants estimated to be distributed to existing common shareholders on the Effective Date
  - ii. Stock and Warrants estimated to be distributed to existing shareholders after certain contingencies are resolved (such as Disputed Claims)
- These estimates of both categories will continue to be refined as more information is known.
  - However, there are certain contingences that will not be resolved before the Effective Date, as described on the next slide.
- Pages 34-35 explain the various assumptions underlying the expected recoveries and how existing shareholders will be impacted if actual outcomes differ from the assumptions.

# Current Common Shareholders (cont'd)

## ***What issues impacting common shareholder recoveries will not be resolved as of the Effective Date?***

- As a result of certain contingencies, common shareholder recoveries will remain unknown on the Effective Date. One significant contingency is the final amount of creditor Claims. Numerous creditors have filed claims against the Company, but the Company does not agree that all of these are valid Claims – in other words, they are “disputed” and may not be resolved at the time initial distributions are made. As a result, Core Scientific must initially calculate existing shareholder recoveries as if all Disputed Claims are valid Claims. If the claims are not valid, they are “disallowed,” and the amount of creditor Claims decreases (increasing recoveries to common shareholders).
- Additional distributions will be made as these contingencies are resolved.
- Core Scientific expects many of the Disputed Claims eventually to be resolved favorably, enabling additional common stock to be distributed to existing shareholders as of the Plan distribution record date.
- Below is a summary of the primary post-Effective Date contingencies.
  - Disputed Claims. (DS pg. 22)
    - Core Scientific will file a motion seeking approval of a proposed Disputed Claims Estimation Amount to establish the maximum number of New Common Interests distributable on account of Disputed Claims. On the Effective Date, Core Scientific will calculate all recoveries as if New Common Interests were issued on account of the Disputed Claims in an amount equal to the Disputed Claims Estimation Amount. If Disputed Claims are resolved in a lesser amount, the excess New Common Interests will be distributed to existing stockholders and 510(b) Claims (if any).
  - Unvested RSUs and Stock Options. (DS pg. 19)
    - On the Effective Date, Core Scientific will issue and reserve as treasury stock common stock in an amount sufficient to make distributions to Holders of Unvested RSUs and Stock Options assuming that all such Unvested RSUs will vest and all Stock Options will be exercised (and receive stock at the reduced amount existing shareholders receive). If any such instruments are later forfeited (for example if the employee resigns), the excess reserved stock will be distributed to existing stockholders as of the Plan distribution record date and Section 510(b) Claims.
  - Incremental Convertible Noteholders Equity Distribution. (DS pg. 13-14)
    - Under the Incremental Convertible Noteholders Equity Distribution, new stock equal to the following amounts will be issued to existing Convertible Noteholders instead of existing shareholders:
      - i. Court-approved fees payable to Skadden Arps (expected to be \$1.5 million) and
      - ii. Court-approved fees and expenses of the Official Equity Committee above \$6.75 million (currently estimated to be \$10 million but could be higher).
    - On the Effective Date, Core Scientific will calculate distributions on account of the Incremental Convertible Noteholder Equity Distribution in an amount equal to the estimated amount of all such fees. If the ultimate amount is later determined to be less than estimated, any excess new common stock will be distributed to existing stockholders and 510(b) Claims.

# Current Common Shareholders (cont'd)

## ***How many shares of new common stock will existing common shareholders receive?***

- Core Scientific has decided to have a lower number of outstanding shares of stock post-reorganization as compared to the number of common shares currently outstanding.
  - The number of new common shares issued under the Plan (to all stakeholders) is estimated to be ~18% of the total shares currently outstanding.
  - Thus, the number of common shares an existing shareholder will receive under the Plan is a fraction of the number of shares it currently holds due to:
    - i. dilution from New Common Interests being issued to different creditors under the Plan in satisfaction of their Claims,
    - ii. dilution from the ERO, and
    - iii. change in the total number of shares outstanding (similar to a reverse stock split).
- It is currently estimated that for every 25 shares<sup>(1)</sup> of common stock held by an existing shareholder, it will receive (i) 1 share of new common stock in definitive consideration and (ii) 0.5 shares of new common stock in additional consideration based on Core's estimate of the outcome of certain contingencies that will occur before or after the Effective Date.
- This is in addition to the Warrants and Subscription Rights to participate in the ERO.

1) Exchange ratio is subject to change. Prior materials assumed a 25:1 exchange ratio.

# Current Common Shareholders

## Primary Assumptions and Potential Impact

	Description	Aggregate Value Impact to Existing Shareholders (\$)	
		Upside	Downside
Balance Sheet Cash at Emergence	<ul style="list-style-type: none"><li>&gt; The Company forecasts having approx. \$56 million of balance sheet cash at emergence</li><li>&gt; Any change in excess cash impacts equity value, and therefore recovery to existing equity</li></ul>	<ul style="list-style-type: none"><li>&gt; Cash may be higher than projected</li><li>&gt; Results in an increase in the value of distributed equity consideration</li></ul>	<ul style="list-style-type: none"><li>&gt; Cash may be lower than projected</li><li>&gt; Results in a decrease in the value of distributed equity consideration</li></ul>
Miner Equipment Lender Election	<ul style="list-style-type: none"><li>&gt; Miner Equipment Lenders have three settlement options<sup>(1)</sup>:<ul style="list-style-type: none"><li>- <u>Default Option</u>: Takeback debt in amount equal to collateral value; equitize remainder of claim (latter treated as GUCs)</li><li>- <u>Settlement Option</u>: Takeback debt in amount equal to 80% of claim; waive recovery on account of deficiency claim</li><li>- <u>Equitization Option</u>: Equitize full claim</li></ul></li><li>&gt; More Miner Equipment Lenders equitizing (instead of electing the Settlement Option) results in greater claims that must be satisfied with new common stock, reducing the pool of new common stock distributable to existing shareholders</li></ul>	<ul style="list-style-type: none"><li>&gt; All Miner Equipment Lenders elect 80% of their claim in takeback debt</li><li>&gt; \$6.8 million increase in value of new common stock to be distributed to existing shareholders</li></ul>	<ul style="list-style-type: none"><li>&gt; All Miner Equipment Lenders elect to equitize their full claim</li><li>&gt; \$43.9 million less value of new common stock to be distributed to existing shareholders</li></ul>
Disputed Claims Amount	<ul style="list-style-type: none"><li>&gt; Company must withhold shares at emergence equal to value of maximum amount of currently disputed claims (as determined by the Court)</li><li>&gt; Assumes Company calculates \$109 million for disputed claims and ultimately \$22 million of such claims are allowed</li><li>&gt; As these disputes are resolved, shares will be distributed either to the claimant or to the existing shareholders</li></ul>	<ul style="list-style-type: none"><li>&gt; Company wins all disputes</li><li>&gt; No change in the value of distributed equity consideration</li></ul>	<ul style="list-style-type: none"><li>&gt; Company loses all disputes</li><li>&gt; Court could also require Company to estimate disputed claims at a higher amount</li><li>&gt; Some or all of shares not distributed to existing shareholders</li></ul>
GUCs Post-Petition Interest	<ul style="list-style-type: none"><li>&gt; Company assumes interest accrual for GUCs at the Federal Judgment Rate ("FJR") rather than at a contract or default rate</li><li>&gt; Contract and default rates of various claims may be materially higher than the FJR, reducing recovery to existing equity</li></ul>	<ul style="list-style-type: none"><li>&gt; Company wins on GUCs interest accruing at FJR</li><li>&gt; \$0 increase in value of new common stock distributed to existing shareholders</li></ul>	<ul style="list-style-type: none"><li>&gt; Company loses on GUCs interest accruing at FJR</li><li>&gt; \$1.8 million less value of new common stock to be distributed to existing shareholders</li></ul>

1) Assumes Wingspire elects Default Option, Barings, BlockFi, Novak, MassMutual, Stonebriar, and Trinity elect Settlement Option, and Anchorage and 36<sup>th</sup> Street elect Equitization Option.



# Current Common Shareholders

## Primary Assumptions and Potential Impact (Cont'd)

	Description	Aggregate Value Impact to Existing Equity (\$)	
		Upside	Downside
Equity Rights Offering Size	<ul style="list-style-type: none"><li>&gt; Company assumes it will raise \$55 million of proceeds in the ERO (i.e., full amount of ERO)</li><li>&gt; An ERO in an amount less than \$55 million will result in an ERO Shortfall Equity Distribution to the Exit Lenders and Convertible Noteholders</li></ul>	<ul style="list-style-type: none"><li>&gt; Company raises a \$55 million ERO</li><li>&gt; No change relative to Current Assumption</li></ul>	<ul style="list-style-type: none"><li>&gt; Company raises a \$37.1 million ERO (i.e., in the amount of backstop size and no more)</li><li>&gt; \$5.1 million decrease in the value of distributed equity consideration</li></ul>
Allowed OEC Fees	<ul style="list-style-type: none"><li>&gt; Company assumes allowed OEC fees will exceed the fee cap by \$3.25 million (i.e., \$10 million of total OEC fees)</li><li>&gt; Company must make an Incremental Convertible Notes Equity Distribution to the Convertible Noteholders in an amount equal to allowed OEC fees above a \$6.75 million fee cap</li></ul>	<ul style="list-style-type: none"><li>&gt; OEC fees are below \$10 million</li><li>&gt; May be as much as a \$3.25 million increase in value of distributed equity consideration</li></ul>	<ul style="list-style-type: none"><li>&gt; OEC fees exceed \$10 million</li><li>&gt; Results in reduced value of distributed equity consideration on a dollar-for-dollar basis in the amount of additional OEC fees</li></ul>
Skadden Substantial Contribution Claim	<ul style="list-style-type: none"><li>&gt; Skadden Arps will file a substantial contribution claim, arguing that its fees should be paid by the Company</li><li>&gt; Company has assumed the \$1.5 million fee will be paid</li></ul>	<ul style="list-style-type: none"><li>&gt; Substantial contribution claim may be disallowed</li><li>&gt; May be as much as a \$1.5 million increase in value of distributed equity consideration</li></ul>	<ul style="list-style-type: none"><li>&gt; Substantial contribution claim may be allowed</li><li>&gt; No reduction in value of distributed equity consideration</li></ul>
Unvested RSUs, Stock Options, Restricted Stock	<ul style="list-style-type: none"><li>&gt; The Company has 24 million shares in vested and unvested stock options and unvested RSUs and restricted stock<sup>(1)</sup></li><li>&gt; The Company is assuming all will vest after emergence</li></ul>	<ul style="list-style-type: none"><li>&gt; The unvested RSUs, stock options, and restricted stock may not vest</li><li>&gt; May be as much as \$14.1 million increase in value of equity consideration</li></ul>	<ul style="list-style-type: none"><li>&gt; The unvested RSUs, stock options, and restricted stock may all vest</li><li>&gt; \$0 reduction in value of distributed equity consideration</li></ul>

1) Subject to adjustment by share exchange ratio.





# **D. Equity Rights Offering Additional Information**



# Equity Rights Offering (ERO)

## ***What do holders of Existing Common Interests need to do to participate in the ERO?***

- The ERO commenced on November 20, 2023 and ends at 5:00 pm ET on December 11, 2023.
- All holders of common stock in Core Scientific, Inc. (and certain other equity interests, including vested restricted stock units) as of November 16, 2023 may purchase their pro rata share of up to \$55 million in shares of Reorganized Core (the “ERO Shares”).
- Each equity holder should have received a copy of the Rights Offering Procedures and a Subscription Form from their broker or nominee.
  - If you have not received these documents, please visit the following website to obtain such documents and submit a rights offering form: <https://cases.stretto.com/corescientific/content/2529-submit-rights-offering-form/>
  - You may also send an email to the Company’s Subscription Agent (Stretto, Inc.) at [PublicSecurities@stretto.com](mailto:PublicSecurities@stretto.com) if you have any questions.
- If you wish to participate in the Equity Rights Offering, you must submit 1) your completed Subscription Form and 2) an IRS form W-9 (if you are U.S. Person) or a IRS Form W-8 (if you are a non-U.S. person) by 5:00 pm ET on December 11, 2023 via the E-Subscription Portal at the website listed above and pay the total subscription price via wire transfer to the Debtors’ Subscription Agent (Stretto, Inc.). Delivery and Wire instructions are included in Subscription Form.
  - If you hold your current Core shares with a bank or broker, you should work with the bank or broker to have your shares tendered into DTC’s Automated Tender Offer Program.



# **E. April Convertible Notes Additional Information**



# April Convertible Notes (cont'd)

***What are the terms of the definitive (non-contingent) consideration April Noteholders will receive under the Plan?***

1. **New Secured Notes** (DS pg. 8)
  - a. Total principal \$150mm (shared by all Holders of April Notes)
  - b. Interest: 12.5% per annum, payable in cash quarterly
  - c. Maturity: Fourth (4<sup>th</sup>) anniversary of Effective Date
2. **New Secured Convertible Notes** (DS pg. 8)
  - a. Total principal \$260mm (shared by all Holders of April and August Notes)
  - b. Interest: at Core Scientific's option, either (i) 10% per annum payable in cash or (ii) 6% per annum payable in cash and 6% per annum payable-in-stock (the "Cash/PIK Interest")
    - The payable-in-stock portion of Cash/PIK Interest will be payable in New Common Interests (common stock) using a price equal to the 20-consecutive trading day VWAP of the New Common Interests immediately preceding the 3 business days prior to the applicable interest payment date
    - Payable quarterly
  - c. Maturity: Fifth (5<sup>th</sup>) anniversary of Effective Date
  - d. Conversion Price: Calculated based on a \$0.56 (subject to 25:1 exchange) share price, subject to anti-dilution protections
  - e. Optional Conversion: Holders may elect to convert their New Secured Convertible Notes into New Common Interests (common stock) at any time prior to maturity at the then-applicable Conversion Price. Core Scientific may elect to deliver New Common Interests or a combination of both cash and New Common Interests upon any holder conversion election
  - f. Mandatory Conversion: The New Secured Convertible Notes will mandatorily convert into New Common Interests at the then applicable Conversion Price if the share price of New Common Interests equals or exceeds \$0.76 (subject to 25:1 exchange) each day for 20-consecutive trading days (based on the daily VWAP of the New Common Interests)
3. **New Common Stock (Convertible Noteholder Equity Distribution)** (DS pg. 6)
  - a. New Common Interests valued at \$300 million (shared by all Holders of April and August Notes)
  - b. Certain Noteholders that are Exit Lenders have agreed to exchange \$40 million for a portion of the Exit Facility

# April Convertible Notes (cont'd)

***What additional (contingent) consideration may be available to April Noteholders under the Plan?***

**1. ERO Shortfall Equity Distribution**

- a. Additional common stock with a total value of up to approximately \$15 million if the ERO results in proceeds of less than approximately \$46 million (DS pg. 11-13)
- b. This amount will be shared by all Holders of April and August Notes

**2. Incremental Convertible Noteholders Equity Distribution**

- a. Additional common stock with a value equal to (i) approved fees payable to counsel to Ad Hoc Equity Group (expected to be \$1.5 million) and (ii) approved fees and expenses of Official Equity Committee above \$6.75 million (estimated to be \$10 million, but could be higher) (DS pg. 13-14)
- b. This amount will be shared by all Holders of April and August Notes

**3. Contingent Value Obligations**

- a. A total of \$150 million in cash or common stock delivered on the first three anniversaries<sup>(1)</sup> of the Effective Date if certain valuation metrics are not satisfied (however certain Noteholders that are Exit Lenders have agreed to exchange \$20 million of these for a portion of the Exit Facility) (DS pg. 8-11)
- b. The Contingent Value Obligations will be shared by all Holders of April and August Notes

1) On first anniversary, any obligation must be settled in cash. Company has option to pay cash or stock on second and third anniversaries.



# **F. August Convertible Notes Additional Information**





# August Convertible Notes (cont'd)

## *What are the terms of the definitive (non-contingent) consideration August Noteholders will receive under the Plan?*

1. **New Secured Convertible Notes** (DS pg. 8)
  - a. Total principal \$260mm (shared by all Holders of April and August Notes)
  - b. Interest: at Core Scientific's option, either (i) 10% per annum payable in cash or (ii) 6% per annum payable in cash and 6% per annum payable-in-stock (the "Cash/PIK Interest")
    - The payable-in-stock portion of Cash/PIK Interest will be payable in New Common Interests (common stock) using a price equal to the 20-consecutive trading day VWAP of the New Common Interests immediately preceding the 3 business days prior to the applicable interest payment date
    - Payable quarterly
  - c. Maturity: Fifth (5<sup>th</sup>) anniversary of Effective Date
  - d. Conversion Price: Calculated based on a \$0.56 (subject to 25:1 exchange) share price, subject to anti-dilution protections
  - e. Optional Conversion: Holders may elect to convert their New Secured Convertible Notes into New Common Interests (common stock) at any time prior to maturity at the then-applicable Conversion Price. Core Scientific may elect to deliver New Common Interests or a combination of both cash and New Common Interests upon any holder conversion election
  - f. Mandatory Conversion: The New Secured Convertible Notes will mandatorily convert into New Common Interests at the then applicable Conversion Price if the share price of New Common Interests equals or exceeds \$0.76 (subject to 25:1 exchange) each day for 20-consecutive trading days (based on the daily VWAP of the New Common Interests)
2. **New Common Stock (Convertible Noteholder Equity Distribution)** (DS pg. 6)
  - a. New Common Interests valued at \$300 million (shared by all Holders of April and August Notes)
  - b. Certain Noteholders that are Exit Lenders have agreed to exchange \$40 million for a portion of the Exit Facility

# August Convertible Notes (cont'd)

*What additional (contingent) consideration may be available to August Noteholders under the Plan?*

**1. ERO Shortfall Equity Distribution**

- a. New Common Interests with a total value of up to approximately \$15 million if the ERO results in proceeds of less than approximately \$46 million (DS pg. 11-13)
- b. This amount will be shared by all Holders of April and August Notes

**2. Incremental Convertible Noteholders Equity Distribution**

- a. New Common Interests with a value equal to (i) approved fees payable to counsel to Ad Hoc Equity Group (expected to be \$1.5 million) and (ii) approved fees and expenses of Official Equity Committee above \$6.75 million (estimated to be \$10 million, but could be higher) (DS pg. 13-14)
- b. This amount will be shared by all Holders of April and August Notes

**3. Contingent Value Obligations**

- a. A total of \$150 million in cash or New Common Interests delivered on the first three anniversaries<sup>1)</sup> of the Effective Date if certain valuation metrics are not satisfied (however certain Noteholders that are Exit Lenders have agreed to exchange \$20 million of these for a portion of the Exit Facility) (DS pg. 8-11)
- b. The Contingent Value Obligations will be shared by all Holders of April and August Notes

1) On first anniversary, any obligation must be settled in cash. Company has option to pay cash or stock on second and third anniversaries.